Providing Stainless Steel Slabs to SSP

405. SHRI DIPANKAR MUKHERJEE: Will the Minister of STEEL be pleased to state:

(a) whether SAIL is contemplating to start a joint venture to provide stainless steel slabs in Salem Steel Plant (SSP); and

(b) if so, what will be the fate of Alloy Steel Plant (ASP), Durgapur which was expanded to make stainless steel- slabs for SSP in 1985?

THE MINISTER OF STATE OFTHE MINISTRY OF STEEL (SHRI DILIP RAY): (a) Yes, Sir.

(b) For improving the viability of Alloy Steel Plant (ASP) a formation of joint venture is contemplated also."

Performance of Rourkela Steel Plant

406. SHRI ANANTA SETHI: Will the Minister of STEEL be pleased to state:

(a) whether the Rourkela Steel Plant has been running in losses;

(b) if so, since when and the reasosn for the losses;

(c) whether Government have made efforts to improve performance of that steel plant;

(d) if so, the progress of the various measures taken in that regard; and

(e) the details thereof?

THE MINISTER OF STATE OFTHE MINISTRY OF STEEL (SHRI DILIP RAY): (a) and (b) Rourkela Steel Plant (RSP) has been incurring losses since 1995-96. The major reasons for losses are as under:

(i) Sluggish demand for steel;

(ii) Greater competition from imports & enhanced supplies in domestic markets;

(iii) Increase in input costs;

(iv) Higher interest and depreciation charges on account of capitalisation of expenditure on modernisation and other schemes and also due to higher inventory level.

(c) to (e) Government has been in constant dialogue with Steel Authority of India Limited (SAIL) and has been periodically reviewing the performance